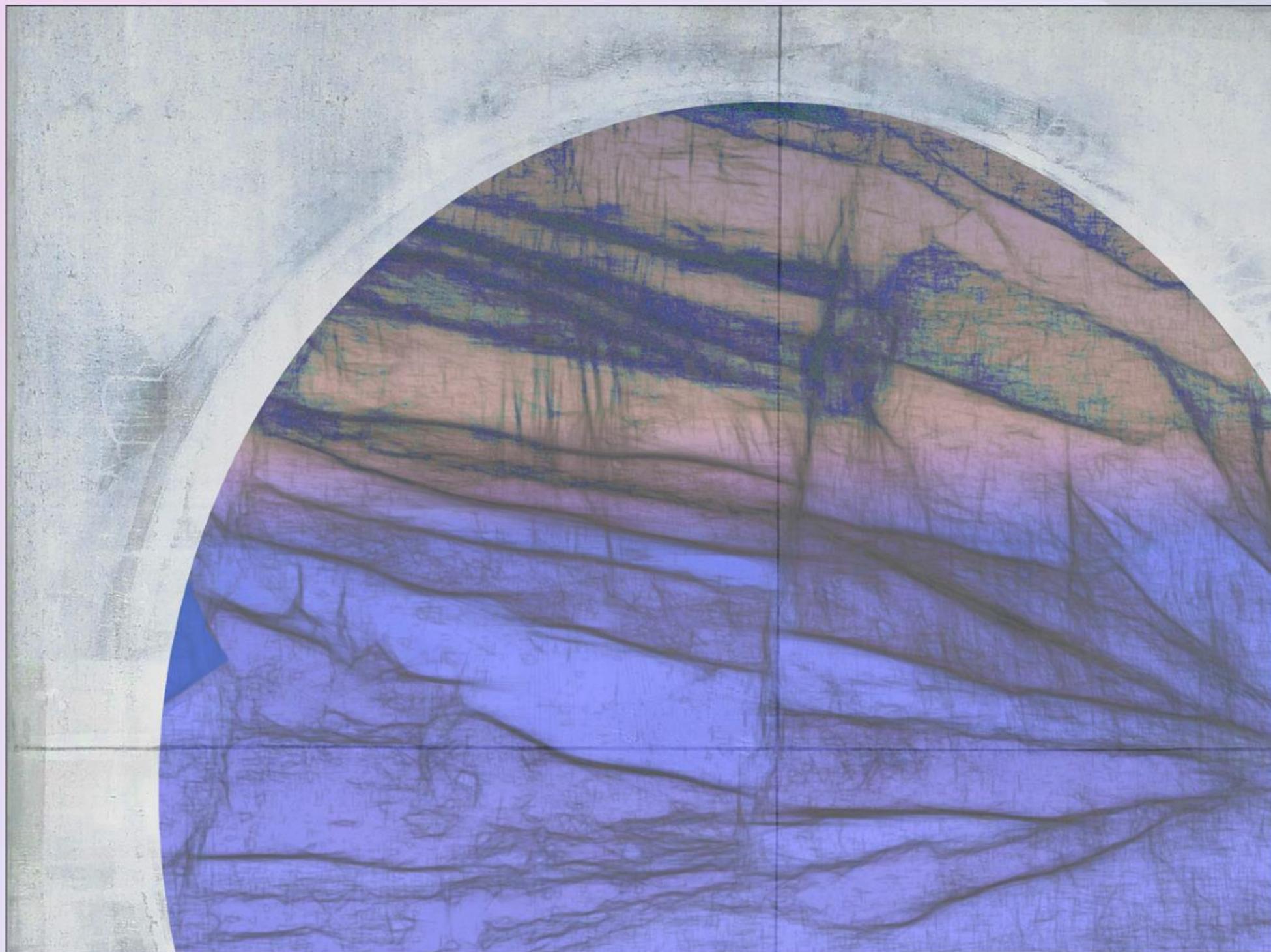
The background features a complex geometric design. It consists of several overlapping triangles in shades of blue, purple, and green. A prominent feature is a large, semi-transparent purple hexagon in the center-left, which contains a network diagram of interconnected nodes and lines. Other smaller network diagrams are visible in smaller purple triangles. The overall aesthetic is modern and technical.

***BlueRe*** *m.a*  
*annual report 2016*



Birth of a new planet

Robert Piccart

Annual Report 2016  
of the Board of Directors and of the  
Statutory Auditor to be presented at  
the Annual General Meeting  
on 27 April 2017

**The company (Mutual association) is incorporated in  
Luxembourg on June 17<sup>th</sup>, 2011 and is governed by the  
modified Law of December 7<sup>th</sup> 2015 on the insurance sector ,  
the Grand-Ducal Regulation dated December 5<sup>th</sup> 2007 and the  
Regulation 15/03 of December 7<sup>th</sup> 2015 issued by the  
Commissariat aux Assurances and is authorised by l'arrêté  
ministériel of December 20<sup>th</sup> 2011 to do reinsurance.**

**Registered Office :**

**14, Syrdallstrooss, L-6850 Manternach, Luxembourg**

**Tel. +352 267 10 031**

**Fax +352 263 83 135**

## Financial Highlights

*In euro*

### Statement of Earnings

	2016	2015	2014	2013	2012
Net premium earned	1.068.864	656.569	375.031	0	0
Claims	0	0	0	0	0
Expenses and taxes	-195.049	-213.940	-130.620	-56.797	-236.462
Net investment result	22.427	26.034	25.649	22.206	61.522
Other income	70.000	227.500	70.000	52.500	210.000
	-----	-----	-----	-----	-----
Earnings before allocation to the equalisation provision	<b>966.242</b>	<b>696.163</b>	<b>340.060</b>	<b>17.909</b>	<b>35.060</b>
Variation in the reserve for equalisation and catastrophes, net of reinsurance	-966.242	-696.163	-340.060	0	0
	-----	-----	-----	-----	-----
Earnings after distribution to reserve for equalisation and catastrophes	<b>0</b>	<b>0</b>	<b>0</b>	<b>17.909</b>	<b>35.060</b>

### Balance Sheet

Assets	8.868.249	7.928.423	7.397.703	7.084.698	6.996.895
Liabilities	-2.095.279	-1.155.453	-624.733	-311.728	-241.834
	-----	-----	-----	-----	-----
<b>Own funds</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.772.970</b>	<b>6.755.061</b>

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## Members

AB SVAFO  
British Energy Ltd  
Bruce Power LP  
CEZ a.s.  
EDF  
Electrabel SA  
Endesa  
EPZ NV  
Forsmarks Kraftgrupp AB  
Fortum Power and Heat Oy  
Kernkraftwerk Gösgen-Däniken AG  
New Areva Holding  
OKG Aktiebolag  
Ontario Power Generation Inc. (OPG)  
Ringhals AB  
SCK•CEN  
SKB  
Slovenské Elektrárne a.s.  
Studsvik AB  
Sydkraft Nuclear Power AB  
Teollisuuden Voima Oyj (TVO)

## Board of Directors

Michaël Plaschy  
Mikko Huopalainen  
Patrick Haenecour  
Ann Geivaerts  
Berndt Kockum  
Daniel Vanwelkenhuyzen  
Stéphane Yvon  
Mojmír Zenáhlik

*Chairman*  
*Vice-Chairman*

## Advisory Committees

### Reinsurance Advisory Committee

Daniel Vanwelkenhuyzen *Chairman*  
Guillermo Alvarez Orejas  
Ann Geivaerts  
Václav Hronek  
Patrick Haenecour  
Berndt Kockum  
Maria Laguna  
Kathleen Sinclair  
Bengt Svensson

### Legal Advisory Committee

Ann Geivaerts *Chairman*  
Rickard Danielsson  
Pablo De Mena Pernil  
Henrik Hinders  
Anders Ingman  
Jane Lasry  
Jiri Ortman  
Daniel Vanwelkenhuyzen  
Godelieve Vandeputte

## **Finance and Investment Advisory Committee**

Bram-Paul Jobse  
Christophe Madec  
Jo Machtelinckx  
Lauri Piekkari  
Alastair Russell  
Annemie Roefs  
Zuzana Šípošová  
Marleen Vercammen  
Daniel Vanwelkenhuyzen

## **Internal Auditor**

Willy Gemis

## **Risk Management Officer**

Ivan Annezer

## **Compliance Officer**

Annemie Roefs

## Management

### Management Committee

Daniel Vanwelkenhuyzen *Chairman*  
Ann Geivaerts  
Maria Laguna  
Annemie Roefs  
Jo Machtelinckx

### Auditors

Deloitte Audit s.à.r.l.  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand-Duchy of Luxembourg  
*Represented by :*  
Mr. Jérôme Lecoq  
*Réviseur d'entreprises agréé*

### Actuarial function

Deloitte Tax & Consulting  
560, rue de Neudorf  
L-2220 Luxembourg  
Grand-Duchy of Luxembourg  
*Represented by :*  
Mr. Thierry Flamand  
*Partner*

## Letter from the Chairman

Dear Members,

It's my pleasure to present you the Annual Report 2016 of BlueRe m.a. Luxembourg. This was the associations' fifth year of existence and its third year of operations.

The year 2016 worked very positively for BlueRe with one extra Member using the elevated capacity. Since the start of operations, the BlueRe capacity offered has grown steadily from 8,8 million in 2014 to 22,7 million Euros in 2016. For 2017 however, a status quo is expected.

As a result of the elevated capacity offered in 2016, the net earned premiums have increased from 657.000 € to 1.069.000 €. Since no claims were reported, the bulk of the premium income could have been allocated to the equalization provision (+ 966.000 €). As a result, total assets of our association increased by some 6% compared to the previous year end.

Our aim remains to meet this Members' growing demand for higher capacity as much as possible while working to improve the capital basis of our association.

The yield on financial assets was 0,98% slightly underperforming the benchmark of Euro Area inflation which came out at 1,1%. However, given the prudent approach of capital preservation and the decision to keep the bulk of assets invested in money market products which yielded close to zero, this result is very proper.

We keep on working to develop BlueRe in the best interest of all its Members.

I would like to thank all the Members for their support and give special thanks to my fellow board members as well as to the management team for their work.

Looking forward to working with you in 2017 !



Michaël Plaschy  
*Chairman of the Board*

## **Corporate Message**

BlueRe is a mutual reinsurance association, founded in 2011 and headquartered in Luxembourg. All of the Members of the company are involved in the Nuclear sector. BlueRe focuses on the reinsurance of nuclear liability risks aiming to add genuine value to customers and brokers.

## **Leading Expertise and Experience**

We have the right team in place, underwriting and management professionals with a wealth of experience in nuclear reinsurance.

## **A Diverse, Balanced Book of Business**

Independence gives us the freedom to write the reinsurance business we want to write, a diverse book across key lines of business in different areas of the world. We can respond quickly to market movements and developments.

## **Industrial & Engineering Reinsurance**

BlueRe provides TPL reinsurance services for nuclear power plants and other nuclear projects.

## Corporate Governance Report

To ensure the appropriate level of corporate governance, the Board has put in place arrangements which it believes are suitable for a mutual carrying on reinsurance and enable the Mutual to comply with the circular LC14/5 carrying modifications of the circular letter modified 99/6 relative to the annual report of the companies of reinsurance.

As of the 1st January 2016, being the inception date of the Solvency II regime, BlueRe's goal is to ensure that the Mutual is compliant with the requirements defined by EIOPA and translated into Luxembourg regulations by the C.A.A. The Solvency Financial condition report (SFCR) can be found on our website.

All the principles are written in the document "Memorandum of good governance". In addition, the Management Committee presents annually to the Board the Report on internal control.

The relevant principles of governance are applied to the mutual in the following way:

### The Board

There are currently eight Board Members, five of them are representing the nuclear Members, one is an independent Director and two are members of the Management.

The composition of the Board is balanced considering the respective skills, experience and background of each of the Board members. Board members undertake that they have sufficient time to exercise their duties, taking into consideration the number and importance of their other commitments.

The Board meets four times a year.

The Management Committee has full authority to undertake the daily management of the Association.

### Board Committees

The Board has a schedule of matters that it reserves for itself. These matters cover approval of accounts, significant changes to accounting policies, changes to the Membership of the Board and its Advisory Committees, recommendations of the strategy to be applied to the Members of the mutual, approval of the annual budget.

In addition, the Board has appointed 3 specific Advisory Committees being the Finance and Investment Advisory Committee, the Legal Advisory Committee and the Reinsurance Advisory Committee. These Committees are composed out of representatives of the Members of the Association.

The mission of these Committees is to analyse specific topics, to prepare matters for consideration and recommendation towards the Board. The final decision making process remains in the hands of the Board. Therefore, the existence of the Committees does not replace the responsibility of the Board.

## Board and Committee Papers

Appropriate and timely management information is circulated to Directors and Committee members in good time before the meetings.

Minutes are kept of every meeting. They are signed off by the Chairman after approval.

## Annual General Meeting

The General Meeting has the powers vested in it by the Law and by the Articles of Association, without any prejudice to the laws and regulations in force regarding the control of insurance enterprises.

## Internal Control

The Board is ultimately responsible for the Mutual's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against misstatements or loss.

## Control Procedures

The Mutual has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include reviews by management as well as internal and external audits.

## Risk Identification

The Management Committee is responsible for the identification and evaluation of the risk underwritten. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources including regulatory requirements.

## Monitoring and Corrective Actions

The Mutual has a Procedures Manual which provides practical guidance for all staff (1st line of defense).

The second line of control performed by the risk management function & compliance function, assures the follow-up of the control of the risks and that corrective actions are taken.

The internal auditor reports to the Audit committee on the effectiveness of the procedures as being the 3rd line of defense.

## Report of the Board of Directors to be presented to the Annual General Meeting of April 27<sup>th</sup>, 2017

Dear Member,

We are pleased to present for your approval the financial statements of BlueRe ("the Company") for its fifth financial year and its third year of operations, which started January 1<sup>st</sup> 2016 and ended on December 31<sup>st</sup> 2016.

The management of BlueRe is responsible for the information contained in the financial statements and other sections of the annual report. The management considers that the financial statements and related information have been prepared in accordance with Luxembourg generally accepted accounting principles. These financial statements include amounts that are based on management's judgment and best estimates.

BlueRe maintains a system of internal accounting controls to provide reasonable assurance that our assets are safeguarded against loss from unauthorized use or disposal and that the accounting records provide a reliable basis for the preparation of the financial statements.

Deloitte Audit *Société à Responsabilité Limitée*, rue de Neudorf 560, 2220 Luxembourg, has been appointed with your approval, as the independent auditors to audit the financial statements and to express their opinion thereon. Their opinion is based on procedures considered by them to be sufficient to provide reasonable assurance that the financial statements present fairly, in all material respects, the financial position, and results of operations. The audit report is also included in the annual report.

### Activity

The Company was incorporated in Luxembourg on June 17<sup>th</sup>, 2011 and published in the official journal *Mémorial C Recueil des Sociétés et Associations* under reference number 2284 on September 27<sup>th</sup>, 2011.

The agreement from Commissariat aux Assurances was published December 20<sup>th</sup>, 2011 by "*Arrêté Ministériel*".

As from January 1<sup>st</sup>, 2014, BlueRe started its re-insurance activity with a total reinsurance capacity of € 8.440.000. The reinsurance capacity over the years increased to € 14.600.000 in 2015 and to € 22.700.000 in 2016.

## Earned contributions

The contributions written are reflected as net contributions written in the Profit and Loss account. Unearned contributions represent the portion of contributions written, which are related to the next accounting year.

Net earned contributions amounted to € 1.068.864 in 2016 and compare to € 656.569 in 2015, all from ELINI. Seven Members were using the BlueRe capacity at the start of the year with an eighth Member using the BlueRe capacity only from March 31<sup>st</sup> 2016.

## Claims

Provisions are made for the estimated cost of incurred losses on the basis of management estimates, based where appropriate on information from ceding companies, their brokers, nuclear pools, claims adjusters, independent consultants and other relevant sources.

At December 31<sup>st</sup>, 2016, no provisions were made.

## General expenses

The general expenses in 2016 amount to € 171.892 and compare to € 188.184 in 2015. Acquisition costs on the reinsurance business increased from € 16.931 in 2015 to 26.709 as a result of the higher capacity offered and the consequent higher premium amount. Other increases in administrative expenses are seen for higher travel expenses related to meetings. These increases are however fully offset by significant lower costs for consultancy.

Those Members not using the BlueRe reinsurance capacity at the beginning of the year have contributed for a total of € 70.000 in the administration fees during 2016, unchanged from 2015.

## Investments

The total book value of the investments and cash amounts to € 8.738.619.

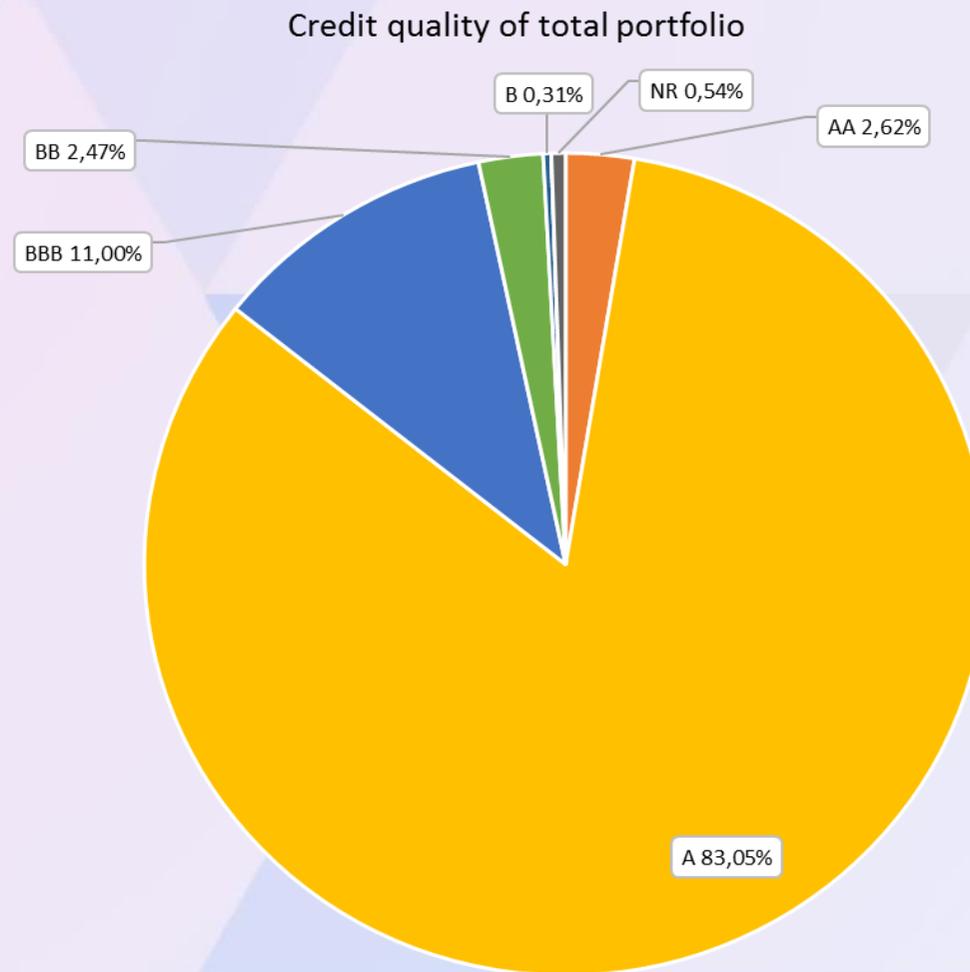
The market value of the investments and cash is € 8.767.860, accrued interest not included.

The investment strategy at year end was 70% investments in cash and money market products and 30% in fixed income products, unchanged from the previous year. These investments resulted in a realized net financial income of € 22.427 during the financial year. The unrealized profits at the end of the financial year, amounting to € 29.241, are not included in the income statement.

No derivative products, such as equity, interest rate, credit, foreign exchange or commodity forwards, options or swaps, were bought.

Credit rating and duration classified by investment product as of December 31<sup>st</sup>, 2016

- The overall weighted average credit rating of the portfolio is A.



- Country Allocation on the overall portfolio as of December 31<sup>st</sup>, 2016.

BE 16,40% • DE 1,09% • DK 0,42% • ES 0,80% • FR 3,12% • GB 2,71% • IT 0,02% • LU 59,53% • NL 1,76% • NO 0,40% • US 11,69% • AU 0,51% • MX 0,48% • CN 1,05%

- The overall average weighted duration of the portfolio is 1,01 years

- Breakdown of credit quality and duration by asset class :

	<b>Credit rating (weighted average)</b>	<b>Duration (weighted average)</b>
Money market products	A	0,85 year
Fixed income funds	BBB+	1,94 year
Deposits & Cash	A	0,00 year

## Result

The surplus before allocation and after taxes for the year 2016 amounts to € 966.242 and compares to € 696.163 for 2015.

This entire amount will be allocated to the equalization provision in accordance with the regulations applicable to reinsurance companies (The Grand Ducal Regulation of December 5<sup>th</sup> 2007 and article 99 of the modified law of December 6<sup>th</sup> 1991).

Following the above-mentioned regulation, the Board of Directors proposes to the Annual General Meeting that no surplus will be allocated to the Guarantee Fund.

## Guarantee Fund

As at December 31<sup>st</sup>, 2016 the subscribed capital of € 3.600.000 and the additional contributions of € 3.172.970 constitute together a fund of € 6.772.970.

The equalization reserve at the end of the year amounts to € 2.002.465 compared to € 1.036.223 at the end of 2015.

## Others

No research and development activities incurred.

BlueRe does not face abnormal price, credit or liquidity risks.

BlueRe has not purchased any of its own shares during the year and does not hold any own shares at this time.

BlueRe does not have any branches or subsidiaries.

No event, nor decisions of any importance that could have any influence on the continuation of the activities of BlueRe have occurred subsequently to year-end.

Based on the elements in our possession, BlueRe should continue a positive development in 2017.

## Recommendations

We propose that you

- Approve the annual accounts as at December 31<sup>st</sup> 2016 as presented
- Grant discharge to the Directors of the Company in respect of their duties and functions for the year ended
- Grant discharge to the Statutory Auditor
- Appoint a statutory auditor for the accounting year 2017



Michael Plaschy  
**Chairman of the Board of Directors**  
*On behalf of the Board of Directors*

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Members of  
BlueRe m.a.  
Association d'Assurance Mutuelle  
14, Syrdallstrooss  
L-6850 Manternach

### Report on the annual accounts

Following our appointment by the General Meeting of Members dated April 28, 2016, we have audited the accompanying annual accounts of BlueRe m.a., which comprise the balance sheet as at December 31, 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Responsibility of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the *réviseur d'entreprises agréé's* judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

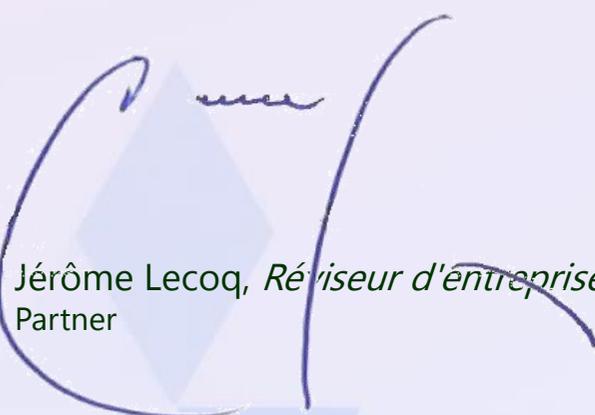
### *Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of BlueRe m.a. as of December 31, 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### **Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*



Jérôme Lecoq, *Réviseur d'entreprises agréé*  
Partner

April 10, 2017

BlueRe m.a.  
Association d'Assurance Mutuelle  
BALANCE SHEET  
As at December 31, 2016  
(in EUR)

<b>ASSETS</b>	<b>Note(s)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Investments</b>	<b>3.2, 4</b>		
Other financial investments			
Shares and other variable-yield transferable securities and units in unit trusts		2.348.034,80	2.348.034,80
Debt securities and other fixed income transferable securities		5.000.000,00	4.350.000,00
Deposits with credit institutions		0,00	1.000.000,00
		<b>7.348.034,80</b>	<b>7.698.034,80</b>
<b>Debtors</b>	<b>3.3</b>		
Debtors arising out of reinsurance operations		5.000,00	0,00
Other debtors		36.890,00	36.890,00
		<b>41.890,00</b>	<b>36.890,00</b>
<b>Other assets</b>			
Tangible assets and stocks	3.4	44.968,07	28.088,22
Cash at bank and in hand		1.390.584,62	121.119,11
		<b>1.435.552,69</b>	<b>149.207,33</b>
<b>Prepayments and accrued income</b>			
Accrued interest and rent		6.717,81	8.454,97
Deferred acquisition costs	3.5	1.191,62	1.203,87
Other prepayments and accrued income		34.861,69	34.632,00
		<b>42.771,12</b>	<b>44.290,84</b>
<b>TOTAL ASSETS</b>		<b>8.868.248,61</b>	<b>7.928.422,97</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
BALANCE SHEET  
As at December 31, 2016  
(in EUR)  
- continued -

<b>LIABILITIES</b>	<b>Note(s)</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
<b>Capital and reserves</b>	<b>5</b>		
Subscribed capital		3.600.000,00	3.600.000,00
Equivalent funds		3.172.969,76	3.120.000,00
Profit brought forward		0,00	52.969,76
Profit for the financial year		0,00	0,00
		<b>6.772.969,76</b>	<b>6.772.969,76</b>
<b>Technical provisions</b>	<b>3.6</b>		
Provision for unearned premiums		47.659,09	48.154,87
Equalisation provision		2.002.464,87	1.036.223,00
		<b>2.050.123,96</b>	<b>1.084.377,87</b>
<b>Creditors</b>	<b>3.3, 6</b>		
Other creditors, including tax and social security		20.208,84	45.207,54
		<b>20.208,84</b>	<b>45.207,54</b>
<b>Accruals and deferred income</b>		<b>24.946,05</b>	<b>25.867,80</b>
<b>TOTAL LIABILITIES</b>		<b>8.868.248,61</b>	<b>7.928.422,97</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
PROFIT AND LOSS ACCOUNT  
For the year ended December 31, 2016  
(in EUR)

	Note(s)	31.12.2016	31.12.2015
<b>TECHNICAL ACCOUNT NON-LIFE INSURANCE BUSINESS</b>			
<b>Earned premiums</b>			
Gross premiums written	7	1.068.368,00	677.245,00
Change in the gross provision for unearned premiums		495,78	(20.675,87)
		<b>1.068.863,78</b>	<b>656.569,13</b>
<b>Allocated investment return transferred from the non-technical account</b>			
	<b>13</b>	<b>22.427,16</b>	<b>26.033,63</b>
<b>Net operating expenses</b>			
Acquisition costs		(26.709,00)	(16.931,00)
Change in deferred acquisition costs		(12,25)	516,87
Administrative expenses	11, 12	(145.170,58)	(171.769,65)
		<b>(171.891,83)</b>	<b>(188.183,78)</b>
<b>Change in the equalisation provision</b>		<b>(966.241,87)</b>	<b>(696.163,17)</b>
<b>Balance on the technical account for non-life business</b>		<b>(46.842,76)</b>	<b>(201.744,19)</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
PROFIT AND LOSS ACCOUNT  
For the year ended December 31, 2016  
(in EUR)  
- continued -

	Note(s)	31.12.2016	31.12.2015
<b>NON-TECHNICAL ACCOUNT</b>			
<b>Balance on the technical account for non-life insurance business</b>		<b>(46.842,76)</b>	<b>(201.744,19)</b>
<b>Investment income</b>		<b>29.181,73</b>	<b>27.863,65</b>
Income from other investments	8	29.181,73	23.676,01
Gains on the realisation of investments		0,00	4.187,64
<b>Investment charges</b>		<b>(6.754,57)</b>	<b>(1.830,02)</b>
Investment management charges, including interest		(6.754,57)	(1.830,02)
<b>Allocated investment return transferred from the non-technical account</b>	<b>13</b>	<b>(22.427,16)</b>	<b>(26.033,63)</b>
<b>Other income</b>	<b>5</b>	<b>70.000,00</b>	<b>227.500,00</b>
Tax on profit on ordinary activities	9	(4.997,24)	(7.470,81)
<b>Profit on ordinary activities after tax</b>		<b>18.160,00</b>	<b>18.285,00</b>
Other taxes not shown under the preceding items	9	(18.160,00)	(18.285,00)
<b>Profit for the financial year</b>		<b>0,00</b>	<b>0,00</b>

The accompanying notes form an integral part of these annual accounts.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2016

**NOTE 1 - GENERAL**

BlueRe m.a. (the "Company"), was incorporated in Luxembourg as a "mutual association" on June 17, 2011 and is governed by the Law of December 7, 2015 on the insurance business.

The Company's accounting year begins January 1 and ends December 31 each year.

The object of the Company is to carry out reinsurance activities, excluding all direct insurance operations in the Grand-Duchy of Luxembourg as well as in any other country in which the Company has members and/or where these members have their activities.

The Company has been authorized by the Minister on December 20, 2011. The Company has started to carry out reinsurance activities as from January 1, 2014.

**NOTE 2 - PRESENTATION OF THE ANNUAL ACCOUNTS**

The annual accounts have been prepared in conformity with the modified Law of December 8, 1994 on annual accounts of insurance and reinsurance undertakings, and with the accounting policies generally accepted within the insurance and reinsurance industry in Luxembourg. The accounting policies and the valuation rules are, except for those which are imposed by the law or the Commissariat aux Assurances, determined and applied by the Board of Directors.

BlueRe m.a.  
Association d'Assurance Mutuelle  
NOTES TO THE ACCOUNTS  
As at December 31, 2016  
- continued -

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the Company are as follows:

3.1. Foreign currency translation

The Company maintains its accounts in Euro ("EUR") and the annual accounts are expressed in this currency.

The accounts denominated in foreign currency of the profit and loss account are converted in EUR on a monthly basis using the exchange rate in force at the last day of the previous month.

The accounts denominated in foreign currency of the balance sheet are converted in EUR using exchange rate as of the balance sheet closing date.

Exchange gains and losses are recorded in the profit and loss account.

3.2. Investments

*Shares and other variable-yield transferable securities and units in unit trusts*

Shares and other variable-yield transferable securities and units in unit trusts are valued at their acquisition costs. The incidental costs are expensed as incurred. Unrealized losses are recorded in the profit and loss account if there will be a permanent reduction in the value of these securities. In this case, the security will be depreciated to its lower value.

Permanent impairments are determined based on the two following conditions:

- Market value must be below book value for a period uninterrupted of 12 months;
- And the decrease in market value should be at least equal to 20% of the book value at the end of that period.

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*Debt securities and other fixed income transferable securities*

Investments in interest bearing bonds are valued at their acquisition costs. The incidental costs are expensed as incurred. The differences between acquisition cost and redemption values of the securities are amortised pro rata to maturity of the securities. Under this method, the premium or discount on purchase is amortised to the profit and loss account on a straight line basis from the date of acquisition to the date of maturity of the bond.

Unless the intention of the Company is to sell the securities in the short term, no adjustments are booked to reflect the market value, if this market value is below the net book value determined according the amortization method described above.

In case of permanent reduction in value, fixed income securities shall be subject to value adjustments in the profit and loss account when the reimbursement at redemption date is partly or fully uncertain or compromised.

*Deposits with credit institutions*

Deposits are stated at their nominal value at year-end.

3.3. Debtors and creditors

Debtors are stated at their nominal value. Value adjustments are made when they are partially or totally irrecoverable. The value adjustments are not maintained when the reasons for which they were made cease to apply.

Creditors are recorded under liabilities at their reimbursement value. If the amount paid exceeds the initial amount, the resulting difference is reflected in the profit and loss account at the date of settlement.

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3.4. Tangible assets

Due to usage and/or obsolescence, assets are amortised on a linear basis. Current amortization percentages for tangible assets are as follows:

Installations, machinery and IT	33,33% / Year
Office furniture	10,00% / Year
Vehicles	20,00% / Year
Software	20,00% or 33,33% / Year

3.5. Deferred acquisition costs

Acquisition costs related to non-life insurance policies are deferred according to a method compatible with that used for unearned premiums.

3.6. Technical provisions

The Company constitutes technical provisions based on contributions relating to its active, non expired outstanding treaties at the end of the accounting year.

The provision for unearned premiums consists of the amount representing the part of the premium which is to be allocated to the subsequent financial year(s). It is computed on a contract by contract basis.

The equalisation provision comprises amounts set aside in accordance with legal and administrative requirements to equalise fluctuations in loss ratios in future years or to provide for special risks.

3.7. Taxes

Taxes are accounted for on an accrual basis.

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**NOTE 4 - INVESTMENTS**

The actual value of investments is as follows:

<b>EUR</b>	<b>December 31, 2016</b>	<b>December 31, 2015</b>
Shares and other variable-yield transferable securities and units in unit trusts	2.377.275,42	2.320.909,03
Debt securities and other fixed income transferable securities	5.000.000,00	4.350.000,00
Deposits with credit institutions	0,00	1.000.000,00
	<b>7.377.275,42</b>	<b>7.670.909,03</b>

As at December 31, 2016 the Board of Directors of the Company believes that there is no permanent impairment on shares and other variable-yield securities and units in unit trusts and on debt securities and other fixed income transferable securities.

As at December 31, 2016, the actual value of debt securities and other fixed income transferable securities corresponds to the book value and nominal value of these investments. As such, there are no premiums or discounts amortised in the profit and loss account for the year ended December 31, 2016.

**NOTE 5 - SUBSCRIBED CAPITAL AND EQUIVALENT FUNDS**

The subscribed capital of the Company amounts to EUR 3.600.000 and has been contributed in 2011 for EUR 3.200.000 by 21 members.

At the Annual General Meetings of Members dated April 25, 2013 and April 24, 2014, it was agreed to reallocate an amount of EUR 200.000 each of the equivalent funds to the subscribed capital.

The equivalent funds amounting to EUR 3.172.969,76 consist in additional amounts which were contributed by its 21 members (EUR 3.120.000,00), and the profits for the years 2012 and 2013 that were brought forward (EUR 52.969,76) and have been allocated to the equivalent funds according to the decision of the Annual General Meeting dated April 28, 2016.

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As at December 31, 2016, the subscribed capital and the equivalent funds can be split between the members as follows:

	<b>Allocation as at December 31, 2016</b>	<b>Allocation as at December 31, 2015</b>
	<b>EUR</b>	<b>EUR</b>
AREVA	322.522,37	320.000,00
British Energy Limited	322.522,37	320.000,00
Bruce Power Inc.	322.522,37	320.000,00
CEZ a.s.	322.522,37	320.000,00
EDF S.A.	322.522,37	320.000,00
Electrabel S.A.	322.522,37	320.000,00
Endesa S.A.	322.522,37	320.000,00
EPZ N.V.	322.522,37	320.000,00
Forsmarks Kraftgrupp AB	322.522,37	320.000,00
Fortum Power and Heat OY	322.522,37	320.000,00
KKW Gösgen Däniken AG	322.522,37	320.000,00
OKG Aktiebolag	322.522,37	320.000,00
Ontario Power Generation Inc.	322.522,37	320.000,00
Ringhals AB	322.522,37	320.000,00
SCK•CEN	322.522,37	320.000,00
Svensk Kärnbräns-lehantering AB	322.522,37	320.000,00
Slovenské Elektrárne a.s.	322.522,37	320.000,00
Studsvik AB	322.522,37	320.000,00
SVAFO AB	322.522,37	320.000,00
Sydskraft Nuclear Power AB	322.522,37	320.000,00
TVO	322.522,36	320.000,00
	<b>6.772.969,76</b>	<b>6.720.000,00</b>

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For the year ended December 31, 2016, the 14 members not using the BlueRe reinsurance capacity have collectively paid administration fees amounting in aggregate to EUR 70.000 related to the administrative costs of the Company. These administration fees are accounted for under "Other income" in the profit and loss account.

**NOTE 6 – CREDITORS**

All creditors become due and payable in less than one year.

**NOTE 7 – GROSS PREMIUMS WRITTEN**

Gross premiums written by the Company relate to non-life business only and for the class Third Party Liability.

**NOTE 8 - INCOME FROM OTHER INVESTMENTS**

For the year ended December 31, 2016, income from other investments mainly includes interest on debt securities and other fixed income transferable securities and deposits with credit institutions, amounting to EUR 28.613,07 (2015: EUR 21.451,92).

**NOTE 9 – TAXATION**

The Company is subject to income and net worth taxes applicable in the Grand-Duchy of Luxembourg to *Sociétés Anonymes*.

Taxes other than income taxes are disclosed under the caption "other taxes not shown under the preceding items" in the profit and loss account.

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**NOTE 10 - PERSONNEL EMPLOYED DURING THE YEAR**

For the year ended December 31, 2016, the Company employed one staff member on a part time contract basis (2015: 1).

The total staff costs with respect to the financial year may be broken down as follows:

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Wages and salaries	8.256,60	8.162,22
Social security costs	2.138,43	2.066,07
Pension scheme	1.293,76	0,00
Others	868,07	247,82
<b>Total</b>	<b><u>12.556,86</u></b>	<b><u>10.476,11</u></b>

**NOTE 11 - REMUNERATION GRANTED TO BOARD MEMBERS AND COMMITMENTS ENTERED INTO IN RESPECT OF RETIREMENT PENSIONS FOR FORMER BOARD MEMBERS**

The Company granted remuneration to members of its supervisory bodies for the services rendered during the year amounting to EUR 9.000 (2015: EUR 4.500).

The Company has no commitments in respect of retirement pensions for former members of those bodies as at December 31, 2016.

For the year ended December 31, 2016, the Company did not grant advances or credits to the members of its supervisory bodies.

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**NOTE 12 - FEES PAYABLE TO THE AUDIT FIRM**

Fees charged to the Company by the *réviseur d'entreprises agréé* and its respective entire network is analysed as follows:

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Annual audit fees (VAT excl.)	<u>10.000,00</u>	<u>10.000,00</u>
	<b><u>10.000,00</u></b>	<b><u>10.000,00</u></b>

Fees are shown on an accrual basis for the year.

For the year ended December 31, 2016, audit fees are related to the audit of annual accounts and the issue of the auditor's supplementary report in accordance with Circular Letter 09/2 issued by the *Commissariat aux Assurances*, as amended.

**NOTE 13 - ALLOCATED INVESTMENT RETURN**

In accordance with Article 55 of the modified Law of December 8, 1994 on the accounts of insurance and reinsurance undertakings, the Company has transferred the whole investment income, net of corresponding charges, to the non-life insurance technical account.

**NOTE 14 - PARENT COMPANY**

As there is no other mutual/company entitled to, de jure or de facto, exert a deciding influence on the appointment of the majority of the Directors or on the orientation of the Management, the Company cannot be considered as a subsidiary of any other entity and consequently is not included into consolidated financial statements and is exempt to prepare consolidated annual accounts under Luxembourg legislation.

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**BlueRe m.a.**

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